

AMENDED IN ASSEMBLY AUGUST 25, 2000

AMENDED IN ASSEMBLY AUGUST 14, 2000

AMENDED IN ASSEMBLY JUNE 14, 2000

AMENDED IN SENATE JANUARY 26, 2000

AMENDED IN SENATE JANUARY 10, 2000

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**SENATE BILL****No. 1192**

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**Introduced by Senator Polanco**  
**(Principal coauthor: Senator Solis)**  
(Coauthor: Assembly Member Torlakson)

February 26, 1999

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An act to add ~~Sections 14085.54 and~~ *Section* 14085.56 to the Welfare and Institutions Code, relating to health facilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1192, as amended, Polanco. Medi-Cal disproportionate share hospitals: capital projects.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.

Existing law generally defines a disproportionate share hospital as a hospital that has disproportionately higher costs, volume, or services related to the provision of services to Medi-Cal or other low-income patients than the statewide average. Under existing law, an eligible disproportionate share hospital may receive supplemental Medi-Cal

reimbursement to defray a portion of the debt service cost for an eligible capital project.

~~This bill would express the intent of the Legislature that the Los Angeles County University of Southern California Medical Center capital project that met initial eligibility criteria for supplemental reimbursement may develop and submit revised final plans for a revised capital project and shall qualify for supplemental reimbursement for the revised capital project if it meets conditions specified by the department, in accordance with unspecified criteria.~~

The bill would also permit a disproportionate share hospital whose capital project met eligibility criteria for supplemental reimbursement to develop and submit revised final plans for a revised capital project, with that revised capital project being eligible for supplemental reimbursement if specified conditions are met. It would permit the revised capital project plan to provide for specified types of changes from the original project plan.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 14085.54 is added to the Welfare~~  
 2     ~~and Institutions Code, to read:~~  
 3     ~~14085.54. It is the intent of the Legislature that the Los~~  
 4     ~~Angeles County University of Southern California~~  
 5     ~~(LAC-USC) Medical Center project that met the initial~~  
 6     ~~eligibility requirements provided for under Section~~  
 7     ~~14085.5 may submit revised final plans to the Office of~~  
 8     ~~Statewide Health Planning and Development and shall~~  
 9     ~~qualify for supplemental reimbursement under Section~~  
 10    ~~14085.5 for the revised capital project, if the project meets~~  
 11    ~~conditions specified by the department pursuant to the~~  
 12    ~~following criteria: \_\_\_\_\_~~

13    ~~SEC. 2.—~~

14    ~~SECTION 1. Section 14085.56 is added to the Welfare~~  
 15    ~~and Institutions Code, to read:~~

16    ~~14085.56. (a) A disproportionate share hospital that~~  
 17    ~~qualifies under subdivision (a) of Section 14085.5 and that~~

1 has submitted plans for an eligible capital project in  
2 accordance with subparagraph (C) of paragraph (1) of  
3 subdivision (b) of Section 14085.5 may submit alternative  
4 final plans for a revised capital project and shall qualify for  
5 supplemental reimbursement under Section 14085.5 for  
6 the revised capital project if all of the following conditions  
7 are met:

8 (1) The revised capital project represented by the  
9 substitute final plans meets all other requirements for  
10 eligibility specified in Section 14085.5.

11 (2) Both the original final plans and the substitute final  
12 plans involve, in whole or in substantial part,  
13 construction, renovation, or replacement of assets leased  
14 from a hospital district.

15 (3) The substitute final plans have been submitted to  
16 the Office of Statewide Health Planning and  
17 Development on or before November 30, 1998.

18 (b) The substitute final plans may provide for a capital  
19 project with one or more of the following variations from  
20 the original capital project plan submission:

21 (1) Total revisions or reconfigurations, or reductions  
22 in size and scope.

23 (2) Modifications necessary to comply with current  
24 seismic safety standards.

25 (3) Expansion of outpatient service facilities.

26 (4) Reduction in, or modification or elimination of,  
27 some or all inpatient project components.

28 (5) Tenant interior improvements that are not  
29 specified in the original capital project plan submission.

30 (6) Modifications to the foundation, structural frame,  
31 and building exterior shell, commonly known as the shell  
32 and core.

33 (c) For purposes of calculating supplemental  
34 reimbursement under Section 14085.5 for a revised  
35 capital project complying with this section, the initial  
36 Medi-Cal inpatient utilization rate shall be established on  
37 the basis of the original capital project plan submission  
38 date.

39 (d) For purposes of determining supplemental  
40 reimbursement under Section 14085.5 for a revised

1 capital project complying with this section, eligible  
2 capital expenditures for the revised capital project shall  
3 not exceed fourteen million dollars (\$14,000,000)

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